



**WORLDWIDE** FIBER

REC'D TN  
REGULATORY AUTH.  
'99 SEP 23 PM 2 59  
OFFICE OF THE  
EXECUTIVE SECRETARY

JULIE R. HAWKINS  
DIRECT (303) 450-5130 EXT. 126  
JHAWKINS@WORLDWIDEFIBER.COM

September 21, 1999

Mr. David Waddell  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

99-00556

**RE: Responses to Requests for Clarification of Worldwide Fiber Networks, Inc. in the Matter of its Application for a Certificate to Provide Facilities-Based Interexchange Services in Tennessee.**

Dear Mr. Waddell:

Worldwide Fiber Networks, Inc. presents an original and thirteen (13) copies of the enclosed Responses to Requests for Clarification in the Matter of its Application for a Certificate to Provide Facilities-Based Interexchange Services in Tennessee.

An extra copy of this filing is enclosed to be date-stamped and returned to us in the self-addressed, postage paid envelope enclosed. If you have any questions regarding this Application Supplement, please contact the undersigned.

Respectfully submitted,

WORLDWIDE FIBER NETWORKS, INC.

Julie R. Hawkins

**FILE**

BEFORE THE TENNESSEE REGULATORY AUTHORITY 99 SEP 23 PM 2 59

In the Matter of the Application of )  
Worldwide Fiber Networks, Inc. for ) No. 99-00556  
A Certificate to Provide Facilities-Based ) Responses to Clarification Requests  
Interexchange Services in Tennessee )

EXECUTIVE SECRETARY

1. **Provide additional information on Worldwide Fiber Networks, Inc.'s ("Worldwide Fiber") key managerial staff. Information to be provided should include but not [be] limited to: (a) degrees held by management; (b) professional licenses held by management; and (c) experience in the telecom industry.**

This information will be provided as soon as it is compiled.

2. **Provide a brief detailed description of Leducor Industries and Worldwide Fiber relating to telecommunications.**

Worldwide Fiber is a wholly owned subsidiary of Worldwide Fiber (USA), Inc. which is owned by Worldwide Fiber Networks, Ltd. and Leducor Communications, Ltd. Both of these parent companies are wholly owned by Worldwide Fiber, Inc. which is ultimately wholly owned by Leducor, Inc. A detailed history outlining Worldwide Fiber's telecommunications transactions is attached to this filing as Confidential Exhibit A.

3. **Provide additional information on Worldwide Fiber's technical staff. Information to be provided should include but not [be] limited to: (a) degrees held by technical staff; (b) professional licenses held by technical staff; and (c) experience in the telecom industry.**

This information will be provided as soon as it is compiled.

4. **Provide the cost of Worldwide Fiber's proposed network, switches, or unbundled networks elements in Tennessee.**

Worldwide Fiber's estimated cost for its proposed network, switches or unbundled network elements in Tennessee is as follows:

FILE

Cable: 120 miles @ \$100,000.00 per mile	\$12.0 million
Electronics:	\$ 2.5 million
Total Investment	<hr/> \$14.5 million

5. **Provide projected financial statements, including income statement, balance sheet, and cash flow statement for Tennessee operation for next three years.**

Worldwide Fiber reiterates that it has not prepared Tennessee-specific financial statements and simply does not have that information available to provide to the Tennessee Regulatory Authority. Worldwide Fiber will provide a company-wide budget for the year ending December 31, 2000 as soon as it is prepared.

6. **Provide details of the funding for Worldwide Fiber's proposed network and equipment purchases in Tennessee such as internal funding, letters of credit, loan commitments, or vendor credit.**

In its Application Supplement, filed on September 8, 1999, Worldwide Fiber submitted one copy of its confidential Offering Memorandum as Exhibit A to the filing. This document provides extremely detailed information regarding Worldwide Fiber Inc.'s internal funding, letters of credit, loan commitments and vendor credit.

7. **Provide a three-year capital budget outlining what specific equipment will be deployed, where it will be deployed, and its cost. This should be for TN operations, as well as for the parent company. Also provide the sources of capital.**

A map showing Worldwide Fiber's proposed cable deployment in Tennessee is attached as **Exhibit B**. As stated above, Worldwide Fiber intends to deploy 120 miles of fiber optic cable with associated electronics at an estimated cost of \$14.5 million. As stated in the answer to Question 5, Worldwide Fiber has not prepared a Tennessee-specific budget and simply does not have that information available. Please see Worldwide Fiber, Inc.'s confidential Offering Memorandum, Exhibit A to the original Application, for sources of capital.

8. **Worldwide Fiber has notified all of the TN ILECs of its intention to apply for a certificate with the TRA to provide competing intrastate and interstate interexchange and local exchange services in TN (Exhibit G of the Application). Has Worldwide Fiber notified the ILECs of its intention to apply only for a certificate to provide interexchange services in TN?**

Notice of Worldwide Fiber's Amended Application for a Certificate to Provide Facilities-Based Interexchange Telecommunications Service in Tennessee has been provided to all seventeen (17) ILEC's in Tennessee in compliance with


Authority requirements. A copy of this notice and certificate of service is attached as **Exhibit C**.

9. **Provide approximate dates that Worldwide Fiber intends to be providing service in TN.**

Worldwide Fiber's estimated service date in Tennessee is January 1, 2001.

WHEREFORE, Worldwide Fiber respectfully submits its Responses to the Tennessee Regulatory Authority's Requests for Clarification and requests approval of its Application for a Certificate to Provide Facilities-Based Interexchange Services in Tennessee.

Worldwide Fiber Networks, Inc.

A handwritten signature in cursive script, appearing to read "Julie R. Hawkins".

Julie R. Hawkins  
Assistant General Counsel

## **EXHIBIT A**

## TRANSACTIONS WITH OUR PARENT

### **Description of Reorganization and Related Agreements**

Effective May 31, 1998, we entered into a series of agreements with Ledcor to purchase the equipment, fiber optic strands and certain other assets related to the business of Ledcor's telecommunication division. As part of the Reorganization, we also entered into the Construction Services Agreements to complete the FOTS. Effective August 31, 1998, Ledcor transferred to us their 50% interest in WFI-USA and, on December 31, 1998, we increased our interest in WFI-USA to 75%.

The material agreements we entered into with Ledcor in connection with the Reorganization are described below.

#### ***Railplow***

Effective May 31, 1998, the patent for the railplow which we use in connection with the construction of our network was transferred to a subsidiary of Ledcor ("Patent Co.") and we were concurrently granted a non-exclusive license for its use. Effective December 1, 1998, one of our subsidiaries acquired 50% of the shares of Patent Co. Ledcor has agreed to cause Patent Co. to grant to us a royalty-free worldwide exclusive license for the use and other exploitation of the plow technology. The license will cease to be exclusive six months after a change of control of Worldwide Fiber. The Shareholders Agreement relating to Patent Co. provides that Ledcor and our subsidiary have the option to acquire the other party's shares of Patent Co. if the other party becomes insolvent, bankrupt or subject to a change of control.

#### ***Management Services Agreement; Employee Services Agreements***

We have entered into a Management Services Agreement and two Employee Services Agreements with Ledcor. Under the Management Services Agreement, Ledcor provides us with management staff and administrative and other support services. We reimburse Ledcor for certain costs and pay a monthly fee of Cdn. \$200,000 under the agreement. Under the Employee Services Agreements, Ledcor provides us with personnel for the design, engineering, construction and installation of the network and we reimburse Ledcor for the direct costs of these personnel. These agreements are terminable at any time by either party. On January 1, 1999, the personnel covered by the Employee Services Agreements, together with the officers involved in our day-to-day management, became our employees.

#### ***Construction Services Agreements***

We entered into Construction Services Agreements with Ledcor under which we agreed to provide fiber optic network construction services to Ledcor and fulfill Ledcor's fiber optic network construction commitments for certain builds. We also agreed to procure the requisite insurance necessary for these builds and perform all work in strict compliance with the appropriate contract and applicable laws. In addition, we agreed to indemnify Ledcor for certain losses, liabilities, damages and claims that may arise under the agreement. In return, Ledcor will pay us an amount equal to costs incurred plus 15% of our total costs. Either party may terminate this agreement at any time. Our obligations under these agreements were complete by the end of January 1999.

#### ***Non-compete Agreement***

Ledcor has agreed not to compete with us in the business of developing or constructing fiber optic communications infrastructure for a period ending on the earlier of May 31, 2008 and six months after a change of control of Worldwide Fiber.

### ***Sale and Transfer Agreements***

We entered into a series of agreements that transferred equipment and other assets of Ledcor's telecommunications division including a minimum of 12 strands of dark fiber along the FOTS.

Effective August 31, 1998, each of Ledcor and Mi-Tech Communications LLC transferred their 50% interest in WFNI to WFI-USA, a newly-incorporated Nevada corporation. In exchange, each of Ledcor and Mi-Tech acquired 50% of the common shares of WFI-USA. At the same time, Ledcor exchanged with WFI-USA a promissory note in the amount of \$3,915,000 payable by WFNI to Ledcor for a promissory note of the same face value payable by WFI-USA to Ledcor. In addition, Mi-Tech exchanged with WFI-USA a promissory note in the amount of \$7,231,230 payable by WFNI to Mi-Tech for a promissory note of the same face value payable by WFI-USA to Mi-Tech.

In a subsequent series of transfers, also effective August 31, 1998, Ledcor transferred to us their shares of WFI-USA and the \$3,915,000 promissory note payable by WFI-USA to Ledcor. In exchange, we issued additional shares and a promissory note of the same face value to Ledcor.

### **Other Agreements with Ledcor**

Effective May 28, 1999, we entered into an agreement with affiliates of Ledcor whereby we will acquire certain fiber optic network assets. Closing will occur on the earlier of September 30, 1999 or the completion of an initial public offering unless extended by either us or Ledcor to March 31, 2000. As consideration, upon closing we will issue to affiliates of Ledcor 4,500,000 multiple voting Class S common shares to be authorized and created. Each Class S common share will entitle the holder to 10 votes per share. In addition, the Company will assume certain rights and obligations of the affiliates under their build agreements with a third party including obligations relating to the completion of those builds and certain support structure, maintenance, license and access and underlying rights obligations.

### **Background of Ledcor**

Ledcor, established in 1947, is among the largest diversified construction companies in Canada and has substantial experience as a construction contractor in the United States. Ledcor's core business activities, in addition to the activities of the telecommunications division, are pipeline and civil construction and diversified contracting, including major commercial and industrial buildings and industrial and mining projects. Ledcor reported revenues of more than Cdn. \$700 million for the fiscal year ended August 31, 1998 from all activities, with significant contribution from the telecommunications division.

Ledcor began designing, engineering and constructing buried long distance power generation and fiber optic telecommunications systems more than ten years ago and has installed fiber optic cable networks on a contract basis for numerous telecommunications companies, including Bell Canada (532 miles), MTS Netcom Inc. (45 miles), AT&T (50 miles), AT&T Canada (227 miles), Alaska Fiber Star (410 miles), Call-Net (200 miles), Bell Canada, AT&T Canada and Call-Net (5,200 miles), Mi-Link Communications, LLC and Champlain Telephone (245 miles) and World Net Communications Inc. (2,400 miles).

In 1996, Ledcor installed its first fiber optic cable as a developer between the cities of Edmonton and Calgary, Alberta. Ledcor sold fiber strands of this cable, on a "condominium" basis prior to construction, to Call-Net, Sprint Canada and AT&T. After the successful completion of this project, Ledcor began, as a developer, the FOTS, the first trans-Canadian fiber optic cable network. To date, approximately 50% of the capacity on the FOTS available for sale to third parties has been sold for an aggregate price of approximately Cdn. \$400 million to Bell Canada and AT&T Canada. Call-Net received a portion of these proceeds as an owner of certain of these strands.

The foundation of Ledcor's success and growth over the last 50 years has been built on the strength of its dedicated people, ability to control costs and its conservative but entrepreneurial approach to business. Ledcor believes it has maintained an excellent reputation for the quality of its products and services in its markets and enjoys substantial repeat business from major customers.

## **EXHIBIT B**





## **EXHIBIT C**

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY**

IN RE:

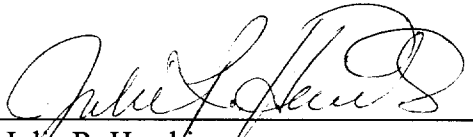
IN THE MATTER OF THE AMENDED APPLICATION )	
OF WORLDWIDE FIBER NETWORKS, INC. FOR A )	No. 99-00556
CERTIFICATE TO PROVIDE FACILITIES-BASED )	Notice of Amended
INTEREXCHANGE SERVICES IN TENNESSEE )	Application

TO: All Incumbent Local Exchange Carriers

YOU ARE HEREBY NOTIFIED that Worldwide Fiber Networks, Inc. has filed with the Tennessee Regulatory Authority for Issuance of a Certificate to Provide Facilities-Based Interexchange Services throughout the State of Tennessee.

DATED this 22nd day of September 1999.

WORLDWIDE FIBER NETWORKS, INC.

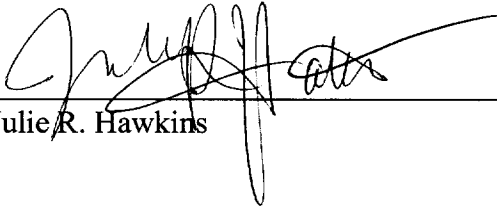
By   
Julie R. Hawkins  
Assistant General Counsel  
Worldwide Fiber Networks, Inc.  
1333 West 120th Avenue, Suite 216  
Westminster, Colorado 80234

### **Certificate of Service**

I hereby certify that I have this day served the foregoing notice on the following persons and parties as required by the rules of the Tennessee Regulatory Authority.

All incumbent local exchange carriers on the attached list.

Dated in Westminster, Colorado on September 22, 1999.



Julie R. Hawkins

Ardmore Telephone Co., Inc.  
Terry Wales, General Manager  
P.O. Box 549  
517 Ardmore Ave.  
Ardmore, TN 38449

Bellsouth  
DeWitt Ezell, President  
333 Commerce Street  
Nashville, TN 37201-3300

Century Telephone of Adamsville  
David Dickey, Division Manager  
P.O. Box 405  
116 N. Oak Street  
Adamsville, TN 38310

Century Telephone of Claiborne  
Don Ray Fannon, Division Mgr.  
P.O. Box 100  
507 Main Street  
New Tazewell, TN 37825

Century Telephone of  
Ooltewah-Collegedale, Inc.  
Terry Crutchfield, Division Mgr.  
P.O. Box 782, 5616 Main St.  
Ooltewah, TN 37363

Citizens Communications Company  
Alice Camuti, Director  
P.O. Box 689  
250 South Franklin Street  
Cookeville, TN 38501

Loretto Telephone Company, Inc.  
Louise Brown, President  
P.O. Box 130  
Loretto, TN 38469

Millington Telephone Company  
W.S. Howard, President  
4880 Navy Road  
Millington, TN 38053

Sprint-United  
Steve Parrott  
Director-Regulatory Affairs  
112 Sixth St.  
Bristol, TN 37620

TDS Telecom-Concord  
Telephone Exchange, Inc.  
Jerry Parkerson, Manager  
P.O. Box 22610, 701 Concord Rd.  
Knoxville, TN 37933-0610

TDS Telecom - Humphreys  
County Telephone Company  
Bernard Arnold, Manager  
P.O. Box 552, 203 Long St.  
New Johnsonville, TN 37134-0552

TDS Telecom - Tellico Telephone  
Company, Inc.  
Carl Lester, Manager  
P.O. Box 9, 102 Spence St.  
Tellico Plains, TN 37385-0009

TDS Telecom - Tennessee  
Telephone Company  
P.O. Box 18139  
Knoxville, TN 37928-2139

TEC - Crockett Telephone  
Company, Inc.  
P.O. Box 7  
Friendship, TN 38034

TEC - People's Telephone Co., Inc.  
P.O. Box 310  
Erin, TN 37061

TEC - West Tennessee  
Telephone Company, Inc.  
P.O. Box 10  
244 E. Main Street  
Bradford, TN 38316

United Telephone Company  
P.O. Box 38  
120 Taylor Street  
Chapel Hill, TN 37034